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Anglo-American governance adoption in non-Anglo-American settings: assessing practitioner perception across emerging economies. The case of Cameroon, Kenya and Pakistan.

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1. Introduction

This study examines the perception of corporate governance (CG) practitioners on CG implementation process, regulatory compliance and firm performance in three emerging countries – Cameroon, Kenya and Pakistan. Despite being home to a majority of the global population, emerging economies have only received consideration within governance and general management literature within the last decade (Alawattage and Wickramasinghe, 2007; Tsamenyi et al., 2007, Waweru, 2014). It is therefore unsurprising that much is yet to be known about the practice of CG within many emerging economies (Okike, 2007; Adegbite et al., 2013; Waweru, 2014). A recent review of CG studies by Coumo et al., (2016), shows that the last decade witnessed an increase in academic research on compliance with CG codes in emerging economies. But studies using cross-country samples especially through a qualitative method are absent. This suggests that cross country studies uncovering the "voice" and behaviour of CG practitioners vis-à-vis the dynamic and complex nature of country-level institutions and CG regulations has been overlooked within extant literature.

This paper fills this lacuna through a comparative analysis that uncovers the divergence and/or convergence of CG systems operational in three emerging economies (Cameroon, Kenya and Pakistan) while highlighting different contextual impacts on behaviour of practitioners in these economies. Drawing from a combination of critical realist perspective and new institutional economics theory (NIE), we explore the perception of CG practitioners concerning CG implementation process, regulatory compliance and the impact of CG on firm performance in Cameroon, Kenya and Pakistan. Consequently, we draw on practitioner accounts gathered through semi-structured interviews to examine the drivers and/or inhibitors of CG practices in these emerging economies. We contend that CG regulatory requirements directly impacts on practitioner behaviour and roles across national, firm and board levels. The choice of qualitative methodology in this study is also intended to contribute to CG research that is specific to the culture and institutional realities of emerging economies contexts (McNulty et al. 2013). To the best of our knowledge, this is the first large-scale comparative qualitative study (using three distinct emerging economies) examining how CG practitioners rationalise CG regulations together with how this is influenced by peculiarities of individual countries institutional environment.

Accordingly, extant individual country studies have documented largely negative perceptions concerning CG implementation by practitioners in various emerging economies including Nigeria (Okike, 2007; Angaye and Gwilliam 2008), Malaysia (Liew, 2007, 2008), Mauritius (Soobaroyen and Sheik-Ellahi, 2008), Kenya (ROSC Kenya, 2010) and Bangladesh (Uddin and Choudhury, 2008). These papers postulates that modifying the provisions of international CG codes adopted within emerging economies, may promote their effectiveness leading to minimal conflicts with demands of local institutional environments. This is because some institutions such as culture are powerful forces, which might be difficult to change and or may take longer periods to undergo change (Zucker, 1977). However, these prior studies are country specific, which limits overall comparison and applicability across other emerging economies. We extend these prior studies through a comparative examination of practitioner perceptions of CG implementation process across different emerging market economic institutions. We contend that there is a need to explore perceptions of CG practitioners with regard to governance implementation through a multi-country study. This, we argue, has potential to provide a comprehensive understanding of CG practices and adoption across different countries economic institutions. This thus leads to the development of the first research question for this study: *How do CG practitioners perceive the implementation of CG regulations in Cameroon, Kenya and Pakistan?*

The level of compliance with CG regulations varies across countries and regions depending on formal and informal institutions (Al-Bassam et al., 2018; Mahadeo, and Soobaroyen). Specifically, and regarding CG compliance, western economies (e.g. UK and USA) are found to have higher compliance levels when compared with emerging economies (Coumo et al., 2016). However, majority of research on CG compliance levels are mainly quantitative in nature. Notwithstanding, there is a dearth of research which explores practitioners account on why CG compliance levels are generally low within emerging economies. A notable conceptual issue within prior research as noted by Coumo et al., (2016) and Elghuweel et al., (2018) is the inadequacy in exploring the role of the national institutional environment on firm level behavior. These limitations of prior research lead to the second research question for this study: *How do CG practitioners in Cameroon, Kenya and Pakistan perceive the levels of CG compliance, including factors which constrain CG compliance within their countries?*

Furthermore, evidence concerning the impact of CG on firm performance is mixed. Some authors have suggested that CG has a positive impact on firm performance (see, for example, Bhagat and Boltan, 2008; Abor, 2007; Brown and Caylor, 2006; Gompers et al., 2003; Claessens and Fan, 2002). However, other researchers have reported negative and/or insignificant relationship between CG and firm financial performance (e.g. Kyereboah-Coleman and Biekpe ,2006, and Sanda et al., 2010). The lack of consistent results has been attributed to varying econometric methods employed by different authors, use of different measurement proxies, or overreliance on quantitative methodology (McNulty et al. 2013). In the context of emerging economies, some authors (e.g. Pistor 2002) have argued CG implementation may not improve efficiency or improve firm performance. As argued by Pistor (2002), for CG regulations to be effective in improving firm outcomes, such regulations must be fully understood, accepted and practiced by their consumers (i.e. CG practitioners). The present paper argues that the perspectives of governance practitioners may assist in overcoming the limitation of inconclusive findings within CG scholarship. Specifically, we argue that the way CG practitioners perceive CG regulations potentially affects CG implementation and its effectiveness in improving firm performance. For example, practitioners who value CG regulations will adopt recommended practices, which subsequently improves performance. However, where CG regulation is perceived as intrusive or irrelevant, practitioners may resist its implementation. This potentially explain the negative or insignificant CG-firm performance link reported by some authors. Drawing from this, we examine the perception of CG practitioners with regards to the effectiveness of CG in improving firm performance. This leads to our third research question: *How and in what ways do CG practitioners perceived the effectiveness of CG in improving firm performance in Cameroon, Kenya and Pakistan?*

Using 24 practitioner accounts across Cameroon, Kenya and Pakistan, we document the following key findings. First, CG implementation is nascent and still very slow across the three countries. Practitioners' accounts suggest that there is general reluctance to adhere and implement "good" CG across all three countries. Practitioners suggest this is because CG did not emanate locally and thus firms resist implementation of what is perceived as "foreign rules". They opine that CG implementation is a result of foreign pressure from international bodies rather than local initiatives. Second, with respect to CG regulatory compliance, practitioners observed that organizations attempt to comply with CG provisions not because they see the relevance of CG regulations, but because they are enshrined in law (e.g. listing requirements and company laws). We find that Kenyan and Pakistani firms adhere to CG regulations to avoid hefty fines and penalties for non-compliance. In Cameroon, however, CG regulation is not strictly enforced and thus CG implementation is less visible. Thirdly, we find mixed accounts regarding the impact of CG on firm performance. While some respondents across the three studied countries indicated that CG impacts positively on firm performance, others indicated a negative and/or no direct link. This divergence in practitioner perspectives is explained by the value relevance they attach to CG.

Drawing on the above findings, this paper makes several contributions to existing literature. First, we expand empirical literature on diffusion of international CG models by uncovering the divergence and convergence of CG systems operational in emerging markets while highlighting different institutional influences on behavior of CG practitioners in these economies. Specifically, we show ineffectiveness in CG implementation in emerging economies is due to lack of institutional identify and ownership of recommended CG regulations. There is unwillingness in implementation across countries partly due to low enforcement by regulators and/or due to perception of value irrelevance by various CG practitioners. Second, this study adopts a cross-country approach in order to enhance applicability of research findings reached. As Wanyama et al. (2009) notes, CG scholars whose 'empirical evidence' spans more than one country potentially reach findings which are conclusive, and highly applicable in other similar contexts. Thirdly, the study utilises a qualitative approach to enhance 'insights and discovery' of CG practitioners' perspectives within each of the three countries (Bluhm et al., 2011). Lastly, this study carries important implications for policy and practice of CG within emerging economies contexts. Specifically, the lack of CG identity and ownership leads to symbolic compliance, which may be improved by considering wider participation of local CG practitioners in designing a localized code of CG practices. Policy makers within emerging economies should also ensure that CG regulations are adapted to the realities of prevailing institutional environments of each country.

The rest of our paper is structured as follows. Section 2 discusses the contexts of the three studied countries – Cameroon, Kenya and Pakistan. Section 3 provides a review of literature and theoretical foundations underpinning this paper. Section 4 outlines the data and research methods. Section 5 presents the empirical results. Finally, section 6 summarises and concludes the study.

2. The background of corporate governance in Cameroon, Kenya and Pakistan

The three countries – Cameroon, Kenya and Pakistan – form ideal contexts for analysing the perceptions of CG practitioners within emerging markets, on account of their rich and diverse institutional environments (Rahman et al., 2013). Accordingly, the perceptions of CG practitioners along with CG practices are likely to be defined by peculiarities of the respective country environments (Aguilera, 2005; Adegbite and Nakajima, 2012; Adegbite et al., 2013).

First, Cameroon has a unique mix of English common law origin and the French civil law system. This Anglo-French legal arrangement offers an ideal case for analysing the extent to which such combination impacts on CG practices, along with whether the perceptions of CG practitioners in Cameroon are influenced to a large extent by either the English, or, the French heritage. Also, Cameroon's stock market – the Douala Stock Exchange – is fairly recent, having been established in the year 2001. The law regulating CG activities in Cameroon is contained within the OHADA (Organization for Harmonization of Business Law in Africa) company law. The OHADA law, adopted in 1993, and was developed to provide a uniform regulation for corporations within the Central African Economic and Monetary Community (CEMAC). The OHADA law follows somewhat a mix of Anglo-American and the Continental Europe CG models due to Cameroon's heritage of English common law and French civil law systems. A significant provision of the OHADA law, and which is also consistent with the Anglo-American governance model, is the control of agency problems, which might arise from the separation of ownership and control within firms. However, as most businesses within the CEMAC region tend to have no clear separation of ownership and control, the OHADA allows firms with less than three owners to have same individuals serving as both CEO and board chair (Dickerson 2007). Conversely, whilst the OHADA law contains provisions for safeguarding CG, studies conducted by the World Bank (2006) and (GIZ 2013) indicate that rampant corruption still hampers good CG practices in Cameroon.

On the other hand, Kenya's CG code is modelled along the Anglo-American governance framework. Kenya's current CG code, *the guidelines on corporate governance by public listed companies in Kenya*, was adopted in the year 2002 after persuasion from the Bretton Woods Institutions (Mwaura, 2007; Musikali, 2008). This followed from attempts by the IMF, to advocate the privatisation of state-owned enterprises in order to enhance efficiency in their operations and control corruption within Kenya's corporate sector (Mwaura, 2007). In addition, the introduction of CG regulations had been viewed as a remedy for the costly banking sector crises, which had troubled Kenya's economy between mid-1980s and 1990s (Brownbridge, 1998). There are currently 65 companies listed at Kenya's only stock market, the Nairobi Securities Exchange. In addition to the CG code, the Kenyan corporate sector is regulated by the Kenya Companies Act, Chapter 486, Laws of Kenya (Barako et al. 2006).

Finally, Pakistan also has an Anglo-American-based CG code of practice. The Securities and Exchange Commission of Pakistan (SECP) introduced this code in 2002, which is also the primary regulator for the corporate sector in Pakistan. The CG code of Pakistan is part of the continuous listing requirements for listed Pakistani firms. Notably, whereas the CG code in Pakistan assumes a 'comply or explain' approach, SECP anticipates making the CG regulations mandatory once the country achieves a higher awareness of CG (Hamid and Kozhich, 2007). This decision is informed by the resistance and objection from the business community in Pakistan when the CG code was first introduced (The World Bank, 2005). In this regard, the business community cited among their reasons for the resistance as: (a) unavailability of sufficiently skilled individuals to assist in the implementation of the CG code; (b) fear that disclosure requirements might expose proprietary information to their business competitors; and (c) failure to see the benefits associated with compliance (International Finance Corporation, 2007). Indeed, some companies delisted from the Karachi Stock Exchange after the introduction of the CG code (Hamid and Kozhich, 2007). This may be explained from the fact that Pakistan adopted the CG code due to pressures from international financial agencies. According to Javid and Iqbal (2010), the Asian Development Bank offered technical assistance to incentivise Pakistan to adopt CG, while the World Bank further provided support in areas of training and development.

Consequently, given the combination of differences and similarities of the institutional contexts across the three countries above, our study seeks to investigate the perception of key CG practitioners concerning CG implementation process, regulatory compliance and firm performance. The three countries – Cameroon, Kenya and Pakistan – were selected as they offer interesting exemplification of contextual diversity of emerging economies. Accordingly, the contextual backgrounds of these countries share similar institutional features such as comparable stages of socio-economic development including high poverty levels (The World Bank, 2016), weak legal and regulatory frameworks (Musikali, 2008; Javid and Robina, 2010), political interference in the corporate sectors and political instability, as well as corruption and bribery (Mwaura, 2007; Javid and Robina, 2010; GIZ, 2013; Kaymak and Bektas, 2015). Other commonalities include: a shared legal background – English common law – in the three countries; similar cultural and traditional (African) values between Cameroon and Kenya. Conversely, the three countries also exhibit noticeable contrasts within their social and legal contexts. For instance, Pakistan has a unique religious and cultural background from the other two countries – Cameroon and Kenya. Additionally, Cameroon has a distinct legal background compared with Kenya and Pakistan, as the former has a combination of English common law and French civil law systems.

It is against this background, that the combination of these three countries captures the contextual similarities and differences that exist across many emerging economies. Consequently, the findings from this study provide a representative understanding concerning the practices of borrowed western CG practices and their applicability in emerging economies contexts.

3.0 Literature review

3.1 Interface between critical realism and new institutional economics (NIE) theoretical framework

As opined by Roberts et al. (2005), research, practice and reforms in the field of CG have been largely developed under the influence of agency theory. While agency theory points out the problems originating from the separation of ownership and control, it focuses on the protection of shareholder rights from self-interested managers (Jensen and Meckling, 1976; Fama, 1980; Shleifer and Vishny, 1997). To resolve these problems CG reforms, such as Sarbanes Oxley Act 2002, introduced such governance mechanisms as board independence and accountability.

In contrast, however, several researchers argue that the traditional model of agency is appropriate for well-developed and efficient capital markets but cannot be suitably applied to markets in developing countries characterized by concentrated ownership (Young et al., 2008; Gilson, 2007, Yusuf et al., Forthcoming). These researchers argue that in an institutional context characterized by concentrated ownership, there is no real separation between ownership and control, rendering such governance arrangements ineffective in such a context (Fan and Wong, 2002; Hoffman et al., 2016).

The above discussion indicates that to analyse response towards the implementation of CG regulations in developing countries, we must consider the institutional and socio-political contexts of these countries. To allow such an analysis, we adopt the critical realism stance. Accordingly, we accept the existence of such normative 'structures, mechanisms and processes' as institutions, utility functions, opportunism, and self-interest. We further acknowledge that the actions of individuals are influenced by underlying social (normative) structures, and that these structures can constrain or facilitate human actions (Mcevoy and Richards, 2006). On the other hand, however, we argue that these normative structures are affected by the perceptions of social actors, human agency and social mechanisms. In this regard, we posit that reality in management and social research is a result of the perceptions of social actors and is thus socially constructed (Bhaskar, 1978). Critical realism permits us to appreciate that the subjective interpretations of social actors are affected by existence of underlying causal mechanisms. Critical realism further permits a critical analysis of an unequal distribution of power between international funding bodies, regulatory organisations, governments of developing countries and corporate organisations. In order to develop an in-depth understanding of the evidence collected, we used New Institutional Economics (NIE) framework proposed by Williamson (1998). *Table 1* below provides an overview of our conceptualisation and customisation of the model proposed by Williamson (1998).

[Insert Table 1 here: Economics of institutions: adaptation of NIE framework for Cameroon, Kenya and Pakistan]

The first level of the framework, called the level of 'social embeddedness', illustrates the influence of social, cultural, political and mental norms and traditions on people and institutions. Williamson (1998) asserts that institutions at this level arise spontaneously and society may take from 100 to 1000 years to adopt any outside values and traditions. At the second level of the framework, that is, 'institutional environment', society may introduce formal legislations, such as property rights enforcement laws and national constitutions. The instruments that operate at this level include legislative, executive, judicial and other laws. At this level, the institutional environment is developed strongly in alignment with first level institutions, so that it sets the foundation for the third level of social analysis. In Pakistan, Kenya and Cameroon, level 2 institutions were not developed in alignment with level 1 institutions, rather they were developed under British and French influence. The third level of analysis, that is, 'governance' involves the introduction of a well-functioning system for defining and enforcing contract law. Governance structures are used as a tool for bringing order and resolving conflicts between parties to involved in business transactions. CG structures in all the countries under study were introduced at this level. However, as discussed earlier, these regulations may not be suitable for implementation in the context of emerging economies. We contend that these regulations might be perceived as 'foreign' in the context of these countries, thus affecting their acceptance and subsequent implementation. The fourth level of analysis is labelled as 'resource allocation and employment'. This level relates to agency theory perspective and explains economic outcomes of organisation within prevailing institutional environment and governance structures.

The discussion above suggests that there is potentially a lack of alignment between CG regulations and institutional environments of the three studied countries. In view of this, we postulate that CG regulations may fail to reach acceptance by various CG practitioners in these countries. This might therefore render CG regulations and implementation efforts ineffective. Accordingly, we contend that, if CG regulations implemented in these countries do not align with the realities of their institutional environments, such regulations risk losing the support of CG practitioners. Consequently, little if any impact of CG on firm performance is likely to be experienced. We opine that any considerable level of adoption of CG regulations by practitioners can only be achieved through coercive pressures from the CG regulators (Areneke and Kimani 2018).

3.2 Review of corporate governance research in emerging economies contexts

It is apparent from Williamson (1998) NIE framework and the literature on CG research within emerging economies that perceived 'good' CG regulations may not automatically lead to the desired CG practices (Okike, 2007; Wanyama et al., 2009; Adegbite and Nakajima, 2012; Adegbite et al., 2013; Waweru, 2014). The main reason for this divergence between the expectations and/or assumptions of the CG codes and the actual CG practices, might be attributed to powerful contextual factors at Level 1 and Level 2 of Williamson's framework discussed in the preceding section. These factors are responsible for constraining the actions of individuals involved in the CG process – the CG practitioners in Level 3 (Aguilera and Jackson, 2010; Adegbite and Nakajima, 2012; Adegbite et al., 2013). Such factors are also argued to exist at both the country level, as well as the industry/firm levels (Judge, 2012). For this reason, it is important to begin CG research by first considering how CG practitioners make sense of CG process (Ndiweni, 2008; Soobaroyen and Sheik-Ellahi, 2008; Soobaroyen and Mahadeo, 2012, Kimani et al., 2015). This is argued to be a useful pointer to the contextual factors, which have more influence, relative to others, on the firm CG activities within a country (Laetza et al., 2008; Wanyama et al., 2009).

Existing literature has documented negative perceptions of CG practitioners in various emerging economies. Okike (2007), for instance, found that shareholders in Nigeria elicited negative views about the effectiveness of CG regulations due to the rampant levels of corruption in the country. Okike (2007) suggests that the CG code adopted in Nigeria ought to be modified to control corporate corruption among other contextual challenges, for shareholders to be able to have confidence in the CG process. Similarly, Liew (2007) conducted ten semi-structured interviews with leading CG players in Malaysia and found that they regarded CG from a social perspective as opposed to the shareholder viewpoint underpinning the Anglo-American governance model implemented in Malaysia. Liew (2007) attributed the perspectives of these CG practitioners to an influential cultural background. Thus Liew (2007) concluded that the Anglo-American governance model adopted in Malaysia is unlikely to achieve effectiveness unless there is a change in corporate culture. Perhaps the quickest way to safeguard the effectiveness of CG in Malaysia would involve the modification of the CG code to fit with the prevailing cultural environment. This is because some institutions such as culture are powerful forces, which might be difficult to change, or may take a very long period to undergo change (Zucker, 1977).

Angaye and Gwilliam (2008) utilised documentary data and semi-structured interviews with a view to analysing how CG players make sense about the nature, meaning, and practice of CG in Nigeria. They concluded that culture greatly determines the meaning, which CG practitioners attach to it. In another study, Liew (2008) further used a mix of documentary analysis and semi-structured interviews with 19 CG practitioners. Liew (2008) found that CG practitioners perceive ‘good’ CG to benefit their firms through ensuring that managers remain professional, hence reducing agency problems. We expect such a positive perception of CG to act as an incentive for firms to enhance their CG practices. A similar study conducted in Mauritius by Soobaroyen and Sheik-Ellahi (2008) sought to understand firm managers’ perception of CG. Interestingly, these writers found that different managers attached varied meanings to the notion of CG, including shareholder-based views as well as stakeholder-based meanings. This therefore evidences that CG is potentially a contested topic. ROSC Kenya (2010) examined how the standards of accounting and auditing operate in Kenya and found that, some CG practitioners misunderstood or held misperceptions concerning the CG process. For instance, the report revealed that some managers engaged the same auditors both to prepare and audit their company’s financial statements. This is a conflict of interests, that is, accountants auditing the same financial statements, which they prepared. Accordingly, the ROSC Kenya (2010) notes that investigating the perceptions of such CG players helps to understand whether they clearly understand the CG requirements, as well as whether some form of training might be necessary. Uddin and Choudhury (2008) also argued that implementation of an Anglo-American CG model is not suitable in the institutional context of Bangladesh. Based on the review of relevant existing literature, we contend that CG practitioners in developing countries have not accepted implementation of CG and consequently they will have negative perceptions about the introduction and implementation of these guidelines in Kenya, Cameroon and Pakistan.

Coumo et al., (2016) note that the level of compliance with country level CG codes varies enormously across economies. Their review shows that western economies (e.g. UK and USA) are achieving higher compliance levels with CG regulations whereas emerging economies score very low. However, since most studies on compliance with CG regulations are generally quantitative in nature, there is a dearth of research, which explores why emerging economies fail to comply with CG regulations. In addition, inconsistent compliance-firm performance relations have been attributed to both conceptual and methodological problems (Coumo et al., 2016, pp.235). A notable conceptual issue within prior research as noted by Coumo et al., (2016) is the inadequacy in exploring the role of the national institutional environment on firm level behavior. According to Williamson (1998) NIE framework, the strength of Level 2 institutions (judiciary, bureaucracy and legal institutions) determines how well Level 3 (governance) may perform. Drawing inspiration from the limitations of prior research, this research utilises Williamson (1998) NIE framework to investigate CG compliance practices using international/cross country samples and evaluate their bearing on managerial behavior. We contend that if CG practitioners do not accept implementation of CG in these countries, the level of compliance with these regulations is likely to be poor.

There is plenty of research advocating for the positive impact of CG mechanisms on firm performance (see, for example, Bhagat and Boltan, 2008; Brown and Caylor, 2006; Gompers et al., 2003; Claessens and Fan, 2002; Abor, 2007). Siddiqui (2010), however, studied the context of Bangladesh and argued that in the context of developing countries, implementation of CG regulations may not improve efficiency. As discussed earlier, in the context of developing countries, CG regulations are considered ‘foreign’ regulations which do not have any alignment with Level 1 institutions in the economy, while Level 2 institutions are also very weak and are unable to support governance institutions. As argued by Pistor (2002), in order for a best practices regulation to be effective in changing outcomes, they must be fully understood, accepted and practiced by CG practitioners. Therefore, we contend that despite the presence of some positive academic evidence on the effectiveness of CG regulations, an investigation is warranted concerning how CG practitioners in developing countries perceive the effectiveness ‘foreign’ CG regulations in improving firm performance. We propose that since CG regulations in these countries might not be accepted by CG practitioners, it may lead to ineffective compliance.

Building from the extant research discussed above, as well as the highlighted gaps in the literature, this paper seeks to contribute to fill the dearth in comparative emerging economies CG research by exploring the perceived hindrances to effective CG implementation from a comparative angle with rich contextual data from Cameroon, Kenya, and Pakistan. In addition, the present paper explores the perceptions of CG practitioners concerning the effectiveness of CG regulations within these countries as well as how CG practitioners perceive the role of "good" CG on firm financial performance. As Jackling & Joh (2009) noted, there is paucity of qualitative research in understanding the extent of the applicability of CG practices emanating from industrialised economies and imposed on emerging economies. This research thus aims to address this gap. The present study further aims to disabuse the notion that all emerging economies have homogenous institutional environments, and also show why implying that there is a 'one-size-fit-all' model of CG practices may be a flawed assumption.

4. Methodology

4.1 Data collection and sample

Majority of studies in CG in developed economies have used a quantitative methodology to examine CG practices. However, the outcome of such research has often been conflicting empirical results (Kumar and Zattoni, 2015; McNulty et al., 2013). Within emerging economies, the trend of CG research has also taken this route (examples of such studies include, Alnabsha et al., 2018; Agyemang et al. 2015; Ntim, 2013; Abor and Fiador, 2013; Mangena et al., 2012). Our study however departs from this methodological trend by collecting rich qualitative data through semi-structured interviews and field notes. Our choice of qualitative data through in-depth interviews is incentivized by limited comparative contextual qualitative research aimed at understanding CG constructs in emerging economies, where CG issues are still developing. Within emerging economies, their institutional contexts are predictably different from those observed in developed economies were CG originates (Young et al. 2008, Kimani et al., 2015). Accordingly, the institutional contexts of emerging countries make agency contracts' problematic due to institutional environments which do not lend themselves to application of international best practices on CG (Young et al. 2008, Yusuf et al., Forthcoming). We contend that examining CG issues within emerging economies from a quantitative methodological viewpoint, limits richness in understanding the features of CG practices in these countries. It is for this reason that the present paper adopts a qualitative research with relevant CG practitioners. More so, our study also responds to calls for methodological pluralism in CG research (Kumar and Zattoni, 2015; McNulty et al., 2013; Young et al., 2008). In fact, a review of CG studies by McNulty et al. (2013) showed that between 1986 to 2011, only 78 qualitative articles have been written around CG and was conducted mostly within developed economies. Our study further incorporates extensive field research with various CG practitioners in order to better understand and document CG practices in each country (Ahrens et al., 2011). We believe that this methodological choice contributes immensely in understanding CG issues within relatively under-studied research contexts.

As noted above, our study used primarily open-ended semi- structured interviews to collect rich data from CG practitioners in Cameroon, Kenya and Pakistan. Our choice of open-ended in-depth semi-structured interviews was guided by the need to understand perceptions of CG practitioners in engaging with CG practices in these countries. Semi-structured interviews arguably were more suited than any other research technique as this enabled the researchers to probe interesting insights from various CG practitioners. This method of data collection as noted by Young & Thyil (2014, pp.5) as more appropriate than other methods when dealing with complex social issues which involves reflective individuals who make economic decisions in the real world, and with the choices they make being contingent on their institutional context and business environment. Following from this, the method allowed the researchers to obtain information regarding the historical emergence of CG and its implementation process, the regulatory enforcement and effectiveness of CG laws. More so, the on-site nature of the research (as interviews were conducted face-face in Cameroon, Kenya and Pakistan) enabled the development of an understanding of the institutional 'context' within which firms operate in the respective countries. Furthermore, open-ended semi-structured interviews also allowed the researchers to gain interesting insights and elicit in-depth information due to its flexibility (which other methods such as structured interviews or surveys do not possess) and collect field and observatory notes during interviews.

To develop the interview questions for the study, we first analyzed company annual reports to see the level of CG disclosures. We triangulated annual report information with newspaper articles, releases from company websites, government documents, legal documents as well as websites of international organizations such as World Bank and IMF. This was done by respective researchers for each country. This was followed by a comparison of possible areas of enquiry as developed by each researcher from the respective countries. This comparison led to development of a list of interview questions which captured similar CG concepts and issues across Cameroon, Kenya and Pakistan. These questions were further piloted with a board member from each country. Based on this initial feedback, the final questions were further refined to ensure personalised approach in conducting interviews.

Evidence from the study was collected from twenty-four CG practitioners in the period 2012-2014. The researchers contacted more than 20 participants in each country to participate in the research. However, because of availability challenges and time constraints on the part of the respondents, the three researchers successfully conducted 8 semi-structured interviews with CG practitioners in each country as these researchers had knowledge of, and networks within, their respective home countries. All interviews were audio recorded except for Cameroon where a director preferred not to be recorded in which case the researcher took notes. The participant who refused audio recording gave personal reasons not related to the research as the reason for refusal. The choice of eight interviews ensured that data saturation was reached in each country (see Guest et al., 2006). In our study, we found that all the themes were present after the first four interviews and reoccurred in each successive interview across the three studied countries. Moreover, our selection of eight interviews from each country exceeds Guest et al.'s (2006) recommendation of six interviews for a qualitative research such as ours. More so, given the difficulty in accessing primary data from targeted CG practitioners (e.g. the board of directors) as they are known to conduct business in secret (Minichilli et al. 2009, Pettigrew 1992), and do not like to give out company information, our sample size for the study is acceptable to understand the CG constructs investigated in this research. Appendix 1 provides more details and profiles of the research participants involved in this study.

The selection of twenty-four CG practitioners who participated in the research was based on individual practitioners' wealth of knowledge and experience in the study topic, willingness to contribute to the research, representativeness of the sample and the availability of both the CG practitioners and the researchers. In each country, the sample consisted of seven males and one female respondent. Each of the CG practitioners in the study held key positions in a firm or a regulatory body. All the CG practitioners hold positions such as, executive directors, CEO, finance director, compliance/regulatory director, board chairman and company secretary. In addition, they all have experience ranging from 5 - 35 years. Interviewees were given an opportunity to select the location they felt comfortable in holding the interview, all research participants were interviewed at their places of work, that is, either their offices or a boardroom. Twenty- three interviews took place in the offices of the participants and one in a boardroom. All interviews were conducted in English and lasted for an average of 60 minutes. The first round of interviews took place between February – May 2012 comprising of 8 interviews across organizations in Pakistan operating in the finance, oil and gas, mining, regulatory and related institutions. The second round of interviews in Kenya comprised 8 CG practitioners from finance, industrial, basic material and agricultural organizations in the period February -May 2013. Finally, the last set of interviews were conducted between April-July 2014 and consisted of 8 interviews in Cameroon with participants drawn from the agro-industry, oil and gas, mining, finance, whole sale and retail, and transport, storage and communication industries. In all the three rounds of interviews, three different authors who are familiar with the contextual environments of each of these countries conducted the interviews. As noted above, digital audio recorders were used during the interview process and later transcribed and shared with each researcher to assist in safeguarding reliability of the data analysis process. This practice also enabled the researchers to ensure consistency in data analysis and interpretation, subsequently enhancing the robustness of the findings reached.

5. Empirical findings

5.1 Corporate governance implementation process

The analysis of interview data revealed that the process of introduction and implementation of CG regulations is inert in all three countries. Table 2 outlines the responses from various interviews from the three countries. The last column of the table provides interpretation by the researchers to draw insightful conclusions.

[Insert Table 2 here – corporate governance is a foreign concept]

To begin with, respondents from Cameroon and Kenya asserted that CG regulations are still at an infancy stage of implementation. For instance, a CEO from Cameroon stated;

"It's still embryonic, rudimentary at best because this is a concept that is gaining grounds but it's taking, perhaps much longer because the sensitisation process, to me, is a bit slow" (CG1CAM, Cameroon)

One of the respondents from Kenya insisted;

"*Historically, we did not have CG…this thing is still in the nascent stages with many people gradually implementing it" (CG2KEN, Kenya)*

Respondents from Pakistan, however, stated that although firms in Pakistan were reluctant to adopt CG immediately after the introduction of the CG code in 2002, however, overtime, firms are adapting to the requirements. Another director accounts;

"All the companies were facing difficulties in implementing the different requirements of the code of corporate governance. But as it is grown up now [has developed], the companies are adapting to it" (CG1PAK, Pakistan).

The responses from all three countries indicate an initial unwillingness to adopt CG reforms within the business community in these countries, which is in alignment with the findings from previous research (The World Bank, 2005). In order to gain deeper insights into this phenomenon, respondents were enquired about the reasons for this slow implementation. It was found that in Kenya and Pakistan, the main hindrance in implementation of CG reforms stems from the business community. CG is seemingly still viewed as a foreign standard that has little relevance to highly concentrated corporate sector in Kenya and Pakistan, because majority of business are family-owned and controlled. Hence practitioner account suggests although CG regulations may be suitable in the contexts where they were originally developed, they are not perceived relevant in the context where they are applied (Adegbite and Nakajima, 2012, Siddiqui, 2010, Rashid, 2011). A CFO from Pakistan insisted;

"Because of the family structure… how can they go for corporate setup? Hiring of qualified people, hiring of diversified people, giving them a…good remuneration and spending too much money on financial reports? So, they don't care about it" (CG1PAK, Pakistan)

Practitioner account so far suggest the institutional context in these countries evidences divergence of local institutional characteristics at Level 1 of Williamson framework, while the basis upon which Anglo-American CG model is founded is depicted in Level 3. Majority of the respondents in Pakistan and Kenya noted that CG requirements regarding disclosures and board independence at Level 3 are intrusion to otherwise closely-held family/ethnic culture at Level 1 (see also, Kimani et al., 2015).

CG in Cameroon was also recognised to have developed under foreign influence, rather than having emerged locally, to meet institutional requirements of the country. As suggested by both DiMaggio and Powell (1983) & Williamson (1998), conformity with borrowed international prescribed best practices in CG through regulations is a function of external and institutional dependencies. Comparatively, Cameroon ranks poorly among the three countries when it comes to CG implementation due to the fact the sensitisation process in the country is very slow. This slow sensitisation process has adverse effects on the implementation of CG and subsequent accountability. When asked why the process of CG in Cameroon was slow, a CEO stated;

"In Cameroon…I think we still have quite some distance to cover… the issue is not writing a code, it's not coming out with procedures, it's a question of mentality, in Cameroon, there are many things that are wonderfully written but they must be enforced" (CG2CAM, Cameroon).

Another respondent shared similar views but went further to opine that the CG process and implementation in Cameroon is characterised by lack of accountability.

"You have lack of accountability, responsibility, and transparency so basically the key pillars within CG are lacking… I think we are at infancy stage … some organisations are well advanced but if you take everything as a whole, as a country, we are still at infancy" (CG7CAM, Cameroon).

This opinion by the latter excerpt was echoed by majority of respondents in Cameroon. These suggest that the underlying social (normative) structures constrain the actions of CG practitioners as they are constrained by a mentality of lack of accountability and the inability for regulators to enforce enacted laws. This is consistent with the high level of corruption in the country that perpetuates unwillingness towards accountability and transparency. Thus, from Williamson (1998) NIE framework, governance reforms (Level 3) are not introduced in alignment with institutional environment (Level 1), while at Level 2, there is weakness in legal and political institutions due to high corruption practices, consequently leading to ineffectiveness in implementation of governance institutions in Cameroon. This lack of implementation may also be due to colonial legacy of the country. Specifically, common law traditions are practiced in the English-speaking areas with emphasises on accountability. On the other hand, civil law is practiced in French areas which is characterised by inefficiency and '*laiser faire'* practices that promotes corruption practices (Gauthier and Zeufack, 2010). These institutional differences in both areas of Cameroon has generated institutional forces that constrains and determine the way firms operate and their consequent CG practices. Therefore, following Williamson NIE conceptualisation (see table 1), any governance regulation that does not adapt to this institutional peculiarity may be ineffective.

A comparison of CG in Cameroon with that in Kenya and Pakistan reveals that Pakistan and Kenya are following an Anglo-Saxon model of CG, both are common law countries and the guidelines of CG were issued in both countries in 2002. The capital market in both countries reflects a majority of family-owned companies. In addition, both countries have developed CG codes to guide firm practices. Cameroon, in contrast follows a mix of Anglo-American and Continental Europe CG models (a blend also known as Anglo- French model of CG). Although OHADA in Cameroon provides the basic CG framework for corporate organisations, however, the respondents indicated the need for and lack of a separate CG code.

"*…The OHADA to a large extent covers some of the issues…I think that having had the OHADA law in place, there could have been a document for CG, which now takes what OHADA has not addressed, it is addressed in CG for Cameroon*" (CG6CAM, Cameroon).

This suggests that in Cameroon, there is a lack of initiative from regulatory bodies with regards to an effective implementation of CG regulations. It might be inferred from the above discussions and the evidence provided in table 2 that, the governments of these countries have adopted CG regulations under the influence of international organisations, and the regulatory bodies especially in Kenya and Pakistan are attempting to ensure compliance with governance regulations. However, the business organisations in these counties are now adapting their CG structures under coercive pressures of the regulatory bodies (see also Areneke and Kimani, 2018).

These findings support the assumptions of new institutional sociology where countries adopt certain regulations in anticipation of developmental aid and benefits (DiMaggio & Powel, 1983, p.150-152). More so, the resistance and or lack of willingness to implement thereof is due to lack of alignment and adaptation with informal institutions such as culture and religion which has powerful influences in Kenya and Pakistan [at the institutional environment (Level 1) and governance institutions level (Level 3)]. These regulations have negative implications as they result in creation of a conflict in family-owned and controlled enterprises prevailing in developing countries, where family owners show reluctance in adopting recommended practices. While in Cameroon, there is a lack of alignment across Levels 1, 2 3 institutions. Consequently, various CG practitioners do not see the value of CG, which renders the implementation efforts ineffective.

5.2 Regulatory compliance

Some scholars have argued for government intervention and regulation for effective CG (Mullineux, 2006, Elmagrhi, et al., 2016). Table 3 provides evidence from all the three countries, regarding CG practitioners' perceptions about the level of compliance with CG regulations.

[Insert Table 3 here: Strict regulatory compliance]

The responses from all countries revealed that firms in these countries attempt to comply with CG only because it is a regulatory requirement. In Cameroon, all firms are compelled to follow the OHADA CG guidelines, while banks are required to adhere to the OHADA and industry regulator guideline, which is the COBAC. However, in addition to the OHADA, multi-nationals also implement other CG guidelines especially those from the country of the parent company. In addition, some firms supplement the OHADA CG guidelines with the tenant board law of 1999. A respondent reports the latter;

"We have the OHADA; we have the guidelines which are those instruments the tenant board has put in place as in the 1999 law" (CG2CAM, Cameroon).

Based on the evidence from practitioner's feedback, CG does not have a push or drive of its own in Cameroon, as most of the CG guidelines can only be found within general company laws. Director's accounts also testify that CG is intertwined with general laws and industry regulations as such company executives are obliged to implement those guidelines. As discussed in section 5.1 there is a lack of initiative from regulatory bodies towards the development of stringent CG regulations. Furthermore, it is evident that CG lacks institutional identity in Cameroon and as such regulatory guidelines act as a support to CG. Consequently, regulatory enforcement is the key driver of CG adoption in Cameroon without which majority of firms might not comply with international CG practices. High levels of corruption in Cameroon might also be responsible for development of a negative perception concerning the effectiveness of CG. These findings are consistent with the findings of the World Bank report (2006) and GIZ reports (2013) that up to 78% of firms in Cameroon believe corruption is a serious issue affecting good CG practices in the country. This situation indicates a weakness in Level 2 institutions in the country. Since Level 3 (governance institutions) are not in alignment with Level 2 (institutional environment), we contend that Level 3 institutions becomes ineffective in the context of Cameroon resulting in poor compliance with CG guidelines.

However, the evidence from Kenya shows strict CG regulation was introduced by regulatory authorities.

"It is better if government intervenes in enforcing CG adoption…regulation is a sure way of ensuring a level playing field" (CG5KEN, Kenya).

Practitioners commonly noted that the active regulation of the corporate sector has led to increased adoption of CG within organizations. While linking CG compliance levels to regulatory enforcement, practitioners summed up that, firms are obligated to conform to certain standards to avoid the hefty fines and penalties that non-compliance attracts. Like Cameroon, the statement above suggests that enforcement is the greatest driver of CG uptake adoption without which majority of firms might not comply with governance guidelines.

Evidence from Pakistan also suggest that the regulatory body ensured strict compliance with CG regulations. For example, firms coerced to adopt recommended governance practices as the Securities and Exchange Commission of Pakistan is perceived to be a very strict regulator and non- compliance can result in imposition of heavy penalties. Also, for listed organisations, they are required to comply with the code of CG introduced by the Securities and Exchange Commission of Pakistan as a listing requirement. Practitioners strongly insisted that their respective institutions were complying with governance regulations.

"I think that we are very rigorously following all the requirements of corporate governance" (CG3PAK, Pakistan).

The practitioners were unanimous in their opinion that; it was not only their organization that was complying with these regulations; most listed firms operating in Pakistan are complying with governance regulations.

"*I think, every…every…company in Pakistan, they are compliant…with these regulations*" (CG5PAK, Pakistan).

This implies most of the firms in Pakistan and Kenya comply with CG regulations. In Cameroon, however, regulatory bodies have shown a lack of sufficient initiative to develop stringent CG regulations so far and company law serves as the main document outlining basic CG guidelines.

As suggested by Williamson's (1998) theocratical framework, close alignment between Level 2 and Level 3 institutions may result in a smooth implementation and adoption of CG regulations by CG practitioners. However, in contexts where there is lack of alignment with institutional environment (Level 1), CG practitioners resist implementation of 'foreign' governance mechanisms (Level 3). Therefore, a strong regulatory scrutiny (Level 2) coupled with threats for penalisation may assist in implementation of governance regulations. Our findings have important policy implications, especially in the context of Cameroon. We suggest for introduction of a stringent regulatory framework for CG. We also contend that strong Level 2 institutions and reduction in corruption practices can help in bridging the gap between Level 1 and Level 3 institutions.

5.3 Corporate governance's impact on firm performance

Some evidence from the literature suggests that there is a positive link between CG and firm performance (Gompers et al., 2003, Collins G Ntim 2013, Collins G. Ntim 2013a, Collins G. Ntim 2013b). However, as noted in section three, the outcome of such research has also often generated conflicting empirical results (Kumar and Zattoni 2015, McNulty et al. 2013). Drawing on these mixed findings, we asked practitioners about the effectiveness of CG regulations in improving the performance of firms. Practitioner accounts reveal similar mixed link between effective governance and performance of firms. Specifically, there was significant variation in the opinions of practitioners across the three countries in this regard. Table 4 provides a few instances of evidence from the three countries.

[Insert Table 4 here: Impact of corporate governance on firm performance is mix]

In Kenya, the respondents shared diverse opinions regarding the perceived value of CG on performance, implying that CG is still a contested issue. Whilst no respondent suggested negative association between CG and performance, deeper discussions showed perceived impact of CG on performance ranging from a strong and direct to neutral link.

"…CG brings proper structures that are necessary for proper running of the firm, with accruing benefits following later…if we have two firms where one adheres to good CG and another lacks proper CG structures, the former will have consistent performance while the latter will show a very erratic performance…" (CG5KEN, Kenya).

This statement reflects the view amongst a section of practitioners that CG helps to not only improve performance but also achieve sustainable growth. The actual impact of CG on performance was cited as more visible in the long run rather than instantaneous. For instance, practitioners opined good CG enables the firm to manage performance through 'bad times', while those without proper CG structures stand to report decent performance only during good economic conditions. Further reflection on the link between CG and performance shows CG as a guarantee to shareholders of consistency of returns from their investments.

To buttress this point, a governance actor in Kenya stated;

*"…there is a very strong link between CG and performance…CG is a check on a number of factors that can hamper performance if not restrained like conflict of interest, insider lending, and misappropriation of…assets…" (*CG6KEN, Kenya).

These practitioners appreciated the value relevance of CG in improving performance and long-term survival of institutions.

Nonetheless, contrary views emerged where some practitioners narrated no direct link between CG and performance (see Table 4). The lack of direct link may arguably indicate that the influence of CG on performance is more visible in the longer-term rather than short- term. These group of practitioners seemed to agree that good CG within firms is necessary, as it has been glorified as a ‘magic touch’ to business success, in an attempt to make it appealing to managers.

During discussion, governance actor CG3KEN claimed that CG needs maturity in the long-run for it to have a direct link to performance.

“CG and performance have a negligible link…CG as a driver of performance? I would call it a constant that is on the far-end of the performance equation…the contributing effect is minimal…it’s a negligible constant in the current environment (CG3KEN).”

Although, according to Williamson (1998) NIE framework, effective implementation of governance at Level 3 eventually translates into attainment of improved organisational outcomes, however, all research participants did not seem to agree with this view. As narrated, most of the firms continue to report increased profitability in Kenya, however they do not attribute this profitability to adoption of good governance practices. This indicates that adopting good governance practices may is not considered a priority within some firms since they still report good performance, thus lacking motivation to voluntarily embrace CG beyond the threshold required under the law.

In Cameroon, although all the directors agreed that CG affects the performance of firms, there is divergence in the direction of the effect. For example, a practitioner opined that:

“*The board functions in my opinion have a positive effect on our company performance and I think this is really essential otherwise there is no need for a board”* (CG8CAM, Cameroon).

The above CG practitioner linked board functionality to a positive firm performance. However, practitioner CG2CAM hinted that it is the representation of directors from various ministries, which helps link the firm to important government agencies, which enhances a positive firm performance. However, other practitioners opine a negative relationship between CG and firm performance. For example, practitioner CG1CAM (see Table 4) illustrates an example where board members who represent the major shareholder (who constitute majority of the board) made a decision to issue out loans to customers related to majority shareholder without due diligence of the credit worthiness of the customer (against advice of management and minority shareholder representatives. The non-repayment of these loans has become a serious problem to the organisation’s survival thus impacting negatively on its performance. The latter practitioner’s evidence suggests a divergence of local institutional characteristics from the basis upon which Anglo-American CG model is premised. This is a shift from agency theory’s postulation of conflict between principals and agents. Instead, the evidence above points to a multidimensional problem, that is, principal-principal conflicts between minority and majority shareholders where the latter abuse the rights of the former (Yusuf et al., Forthcoming). In addition, there are also agent-shareholder conflicts where managers view shareholders as not acting in the best interests of the long-term success of firm. For example, majority shareholders were found in the case of Cameroon to control the issuing of loans without due diligence of the credit worthiness of loan applicants. These types of conflicts are seen to be prevailing within developing countries with weak and ineffective legal and regulatory control mechanisms. As such, majority shareowners through familial shareholding might exploit minority shareholders and managers of firms.

The view of negative performance was echoed by another director in Cameroon, who reported that the board is a legal creation and thus only plays the role of approving budgets and checking accounts as stipulated by law. In her opinion, the lack of critical and strategic orientation of the board affects the performance of the company negatively. This finding is inconsistent with existing literature which suggests that CG guides boards of directors towards being professionally competent (Liew, 2008). Similar to Kenya, some directors also reported a neutral influence of CG on the performance of firms in Cameroon (see table 4).

In Pakistan, practitioner CG1PAK opined that compliance with CG has played an important role in making organizations profitable. He insisted that, owing to these regulations, Karachi Stock Exchange is among the best performing emerging economies stock exchanges in the world.

"*Yes…what these corporate governance guidelines have led to, is that, institutions have become more efficient, because they are led by efficient people…the profitability of the financial sector of Pakistan…is tremendous. It's not because of just corporate governance, but corporate governance has had a very good role to play*." (CG1PAK, Pakistan).

However, other CG practitioners thought that compliance with CG regulations does not play a significant role in making an organization profitable. Although compliance with these regulations was not perceived as a direct contributor to increasing profitability, non-compliance, however, could result in poor financial performance. For banking firms, for example, penalties from the central bank in the case of non-compliance were perceived to be a contributor in reducing bank profits.

"*If you are making lots of profit, you are a profitable bank. On the other hand, your controls are weak, and the amount of penalty, for example, that is directly hitting your profitability"* (CG2PAK, Pakistan).

Practitioners indicated that firms were specifically concerned about their reputation. They highlighted this as negative externality as a result of non-compliance which could affect the firm's profitability as it could negatively affect stakeholder's perception of the firm (especially foreign investors).

"*Reputation risk comes into play in not following it. OK. If you don't follow it, then there's large reputation risk. So, if you are not following corporate governance there is a huge reputation and market risk*." (CG4PAK, Pakistan)

Most of the practitioners opined that some of the CG code's provisions were unnecessarily increasing firm's costs, which reduces profitability.

"*They have to go for somebody who is experienced person and maybe that has a higher cost. Holding of meetings by the board of directors also have high cost, establishing a separate, full-fledged company secretariat department, which is ensuring all the compliances. These things all involve people; it involves developing a process. So, all these things have a cost."* (CGB4, Pakistan).

Practitioners do not perceive compliance with CG as necessary to improve profitability of firms. Rather '*compliance with CG'* and '*running the business properly*' to earn maximum profits are perceived as separate goals for the board.

"One has to walk on the both dimensions. Because you have to be compliant as well as you have to go for your efforts...you know, to secure the business in a proper way." (CG3PAK, Pakistan).

The practitioner disagreed with the idea that CG plays a role in making a firm profitable. Rather, the profitability of any institution is perceived to be associated with various 'other' factors. Similarly, another practitioner stressed that the profitability of a firm depends more on the business model adopted.

"As far as the profitability is concerned...I would say it...depends on the business model of...and more on its...way of doing business." (CG5PAK, Pakistan).

Overall, some evidence from CG practitioners in the three countries indicates some positive relationship between CG and firm performance. However, the overwhelming evidence from all three countries indicates that practitioners do not anticipate any explicit benefits of CG compliance in terms of improved profitability. Thus, firms follow regulations only if there is strict regulatory compliance enforcement.

We contend that although the implementation of 'foreign' CG regulations may not be viewed favourably by CG practitioners across the three counties, differences in the way these regulations were introduced have resulted in creation of significant different CG cultures in these countries. As Williamson (1998) suggested, institutions at each level of NIE framework can influence each other. We find the presence of coercive isomorphic pressures from the regulatory bodies in Pakistan and Kenya, towards implementation of recommended governance practices does not necessarily result in improved firm performance and efficiency. Consequently, companies in these countries are complying with CG mainly due to threats of penalisation. We argue this coercive implementation of CG at Level 3 may result in development of CG culture in these countries in the long run, eventually improving Level 1 institutions (a potential improvement). The case of Cameroon is however different. A lack of commitment from regulatory bodies, and a reluctance from practitioners to adopt good CG practices may result in poor CG implementation and subsequently weak compliance in the country in the long run. This may lead to slow development of good CG practices which is detrimental to the countries aim of becoming a middle-income economy by 2035 (MINEPAT, 2009, Cameroon Vision 2035, 2009, pp.46).

6.0 Summary and conclusion

6.1. Summary of findings

There has been little academic attention to date concerning the nature of CG practices prevailing within emerging economies contexts. In addition, the few studies conducted within emerging economies contexts have either been mainly quantitative in nature, or country specific, or employed theoretical lenses that do not reflect institutional realities of emerging economies. This study has filled this lacuna by exploring the perceptions of CG practitioners in implementing CG practices within three emerging economies with some similar corporate sector architectures but with varied institutional environments. Drawing upon a critical realist stance and grounded on new institutional economics theory, we explored the perception of CG practitioners through semi-structured interviews in relation to CG implementation process, regulatory compliance and the impact of CG on firm performance in Cameroon, Kenya and Pakistan.

In relation to CG implementation process, practitioners' accounts indicate that CG implementation is still very slow across the three countries. All there is general reluctance to adhere and implement "good" CG. Practitioners opined that this is because CG did not emanate locally. Rather, it came about because of foreign pressures from international bodies rather than locally-driven initiatives. Furthermore, evidence showed that the slow implementation process in these countries is because local institutional environments prevalent in these countries differs from the basis upon which the adopted western CG models were developed. This finding is consistent with the new institutional theory premise. For example, due to concentrated ownership in these countries, there is a shift from agency theory's principal-agent conflict to principal-principal conflict, as well as agent-principal conflict. This finding is consistent with Young et al. (2008) and (Morck et al. 2004) who opine that in emerging economies characterised with concentrated ownership structures and absence of external CG mechanisms to protect minority shareholders, the prevalent type of conflict is more of a principal-principal conflict rather than agent-principal conflict as agency theory postulates.

More so, with regards to regulatory compliance, practitioner accounts revealed that firms across the three countries comply with CG provisions not because of the importance or relevant of CG. Rather, it is driven by that fact it is part of the law. While in Cameroon CG regulation is not strictly enforced as regulatory bodies have shown a lack of initiative to develop stringent regulations; in Kenya and Pakistan however, firms adhere to CG to avoid hefty financial fines and penalty for non-compliance. However, evidence from the research data does not support the presence of normative or mimetic tendencies as practitioners showed little enthusiasm towards complying with perceived "good" CG practices.

Finally, with regards to the impact of CG on firm performance, whilst some CG practitioners from Kenya indicated that CG impacts on firm performance, others indicated that there is no direct link between CG and firm performance. Similarly, in Cameroon, some practitioners accepted that good CG impact on firm performance positively, while others opined a negative and neutral relationships. Practitioners who opined negative relationship gave instances of majority shareholder manipulation of the board to take decisions, which were considered unfavourable to minority shareholders and threatens the long-term survival of the firm. Like Cameroon, practitioners from Pakistan indicated both positive and negative relationship between CG and firm performance. Those who opined a negative relationship gave reasons associated with the costly nature of complying with CG provisions. Hence, these mixed opinions by CG practitioners to a large extent supports the presence of coercive isomorphic pressures to implement CG provisions, from regulatory bodies in Kenya and Pakistan. The results indicate that CG is yet to be fully integrated within the business culture and corporate structures in emerging economies, which suggest the need to consider a review of existing CG regulations to identify areas of misalignment and make necessary optimization that will ensure increased implementation by firms.

We observe that the governments across these emerging economies have implemented CG guidelines and firms within these countries are adapting to them under coercive influence. However, as these regulations are complied with only to meet regulatory requirements, they are not effective in ensuring good governance. The results of this study support single country findings within extant literature which shows that some of the CG regulations implemented within emerging economies are not in alignment with the institutional contexts prevailing in these economies (e.g. Okike, 2007; Wanyama et al., 2009; Adegbite and Nakajima, 2012; Adegbite et al., 2013; Waweru, 2014, Kimani et al., 2015). Accordingly, the lack of alignment results in slow implementation of CG regulations. As these regulations do not emerge from within the institutional environments of these countries, firms comply with them only under a strict regulatory control.

Drawings from the highlighted findings, our research makes significant contributions to existing literature on CG through a comparative analysis of CG practices across three emerging economies. The evidence indicates that existing institutional environments in these countries has a deep influence on the process of CG implementation, regulations and the impact of CG on firm performance. Furthermore, the research provides evidence against existing literature on convergence of CG, as we document that firms are adopting CG only under coercive pressures from regulatory bodies. This thus raises serious questions about "copy and paste" of CG practices from developed economies in emerging economies with different institutional realities.

We contend that borrowed western CG regulations recommended by international agencies via national regulatory regimes are not suitable in emerging economies except where there is adaptation of such CG regulations to local institutional realities. Therefore, regulatory authorities need to take cognisance of these challenges and adapt CG regulations in accordance with institutional realities in forthcoming revisions of national CG codes. For example, policy makers can learn from South Africa King reports (from King I to current King IV) which has been adapted to capture corporate citizenship behaviour peculiar to the country (e.g. black economic empowerment regulations).

6.2. Limitations and areas for further research

The readers of this paper should bear a few issues in mind that may affect the interpretation of findings reported. First, our analysis concentrated on just three CG themes, that is, CG implementation, regulatory compliance and firm performance. We thus recommend future studies to expand the present paper's analytical focus by examining how various other CG constructs, such as, board composition, board roles, or committee functions are impacted by institutional environments prevailing within emerging economies. Future studies may also benefit from incorporating wider variety of qualitative data, possibly by conducting focus group interviews with CG practitioners or adopting case study research design. Third, the findings from this paper may not be generalizable to other emerging economies contexts with potentially dissimilar institutional environments. In this regard, future studies may attempt to carry out a mixed method study that incorporates quantitative and qualitative approaches with a view to enhance the generalisability of findings.

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List of Tables

Table 1: Economics of institutions: Adaptation of the framework for Cameroon, Kenya and Pakistan.

	Level	Duration / Frequency (years)	Purpose	NIE Framework for Cameroon, Kenya and Pakistan.
L1	**Embeddedness:** Informal institutions, customs, traditions, norms, religion	100 to 1000	Often non-calculative, spontaneous	Strong informal institutional set-up. Strong belief systems exist about religious and family/tribal values in all three countries.
L2	**Institutional environment:** Formal rules of the game – especially property (polity, judiciary, bureaucracy)	10 to 100	Get the institutional environment right. 1st order economizing	Shaped under the influence of British institutional system in Pakistan and Kenya, while Cameroon's institutional environment is shaped under a distinct Anglo-French influence. Lack of alignment with L1 institutions, that is, conflicts existed between local values of these countries and the value systems introduced by their colonisers.
L3	**Governance:** Play of the game –esp. Contract (aligning governance structures with transactions)	1 to 10	Get the governance structure right 2nd order economizing	At this level, corporate governance regulations in these three countries were introduced. These regulations were introduced at the directives of international bodies and might be in clash with local values and customs, unless adapted appropriately.
L4	Resource allocation and employment (prices and quantities, incentive alignment)	Continuous	Get the marginal conditions right: 3rd order economizing	Effective functioning of capital market/ corporations is possible only after the adaptation and strengthening of L2 and L3 institutions. This level points to performance and efficiency of capital market.

Source: Adapted from Williamson, (1998), p. 26

Table 2: Corporate Governance is a Foreign Concept		
	Responses	**Interpretation**
Kenya	*CG is still seen as a foreign concept that is less appreciated …if you look at some of the family-owned banks around, telling them to bring outside directors' makes them anxious of losing control of a business they have built from scratch (CG5KEN).*	Family firms don't approve it
	Although CG has been around for almost a decade now, it is still a relatively new concept to many companies in Kenya (CG1KEN).	10 years of implementation and still considered foreign
Pakistan	*I think these are influenced by the IMF or Basel etc. There is no doubt about that…but they have to be customised, according to our own situation...If these are customised according to our traditions then there will be benefit. They will be more effective. (CG2PAK)*	Implemented under the influence of international funding organizations
	You never implement any rule as it has been implemented in…in the London market, or US market, you cannot. Right. But what you have to do is that you have to adapt it...you have to restructure it in line with our own environment and things. (CG3PAK).	Foreign Regulation
Cameroon	*"The CG guidelines we tend to follow are the basic regulatory requirements as per the recommendations in OHADA and then of course we have the recommendations of the regulators (COBAC), so those two are the guiding principles, we are a local entity, and CG did not emanate from this environment…" (CG1CAM).*	Corporate Governance did not originate from institutional environment of Cameroon
	"We apply UK CG laws to help determine what the company does" (CG8CAM).	Corporate Governance regulations are foreign laws

Table 3: Strict Regulatory Compliance		
	Responses	**Interpretation**
Kenya	*…the regulator is strict, they have set rules of the game. If you're required to do something and you fail, there is a penalty, and it is not small money, usually to the extent of half-a-million shillings, and sometimes a million shillings…(CG4KEN).*	Strict regulatory compliance
	…why set up additional departments or hire extra outside directors to be just sitting and taking allowances? These are avoidable costs that people would do anything to prevent…if you remove the regulatory push, this bandwagon will slow down because it has cost implications (CG3KEN).	Strict regulatory compliance
Pakistan	*Since it is compulsory for every listed company to follow…nobody has an option but to follow it. (CG4PAK).*	Strict regulatory compliance
	Since the regulator demands it and checks its compliance, so they have to…they may not be happy with these regulations at the same time. And they have to...comply with them because of the requirement of the regulator. (CG5PAK).	Strict regulatory compliance
Cameroon	*"We adhere to CG in both UK and OHADA in Cameroon. It is more stringent to do it from both sides…" (CG8CAM).*	Strict regulatory compliance

Table 4: Corporate Governance and Firm Performance		
	Responses	**Interpretation**
Kenya	*…some banks don't follow proper CG structures but they still perform well… (CG2KEN).*	No relationship
	…CG and performance have a negligible link…CG as a driver of performance? I would call it a constant that is on the far-end of the performance equation…the contributing effect is minimal…it's a negligible constant in the current environment (CG3KEN).	Negligible link
Pakistan	*Compliance...it indirectly adds to the profitability of course...indirectly. But if…someone says that…that by complying, we will be automatically very profitable, that's not the case. (CG3PAK)*	Indirect relationship
	Since board of directors…the tone from the top is to earn maximum profitability… they do sometimes give a free hand to the management and supress those functions who are basically responsible for a good governance...to fetch maximum profits. (CG5PAK)	Negative relationship
Cameroon	*" … the board has been existing for the past years but today, the non-performing loans of the corporation is so disproportionate… there are many files(loans) that the board definitely approve that are nonperforming today, it would be in my own situation the board acts negatively, impacts negatively on the life of the corporation" (CG1CAM).*	Negative relationship
	"Board members are not actually executive management so in no way do they actually influence the day to day management…they set up the strategy that is passed on to the executive management and the executive management now have to implement the strategy …that is what influences performance" (CG3CAM)	No Relationship

Appendix1: Profile of the Interview Participants				
Interviewee	**Current Position**	**Qualifications**	**Experience**	**Gender**
		Cameroon		
CG1CAM	CEO	Bachelor's Degree	23 Years	Male
CG2CAM	CEO	Master's Degree	25 Years	Male
CG3CAM	Executive Director Audit and Internal Control	Bachelor's Degree/IFA	24 Years	Male
CG4CAM	CEO	Master's Degree	25Years	Male
CG5CAM	CEO and Chairman	Master's Degree	28 years	Male
CG6CAM	Finance Director	Bachelor's Degree	21Years	Female
CG8CAM	Executive Director	Master's Degree	14Year	Male
		Kenya		
CG1KEN	Company Secretary	Bachelor's degree	7 Years	Female
CG2KEN	CEO	Master's degree/ Certified Public Accountant	5 years	Male
CG3KEN	Head of Internal Audit	Master's degree/ ACCA/Certified Fraud Examiner	8 years	Male
CG4KEN	Head of Finance	Master's degree/ CPA/Certified Information Systems Auditor	12 years	Male
CG5KEN	Head of Internal Control	Bachelor's degree/Certified Public Accountant	6 years	Male
CG6KEN	CEO	Doctorate degree	13 years	Male
CG7KEN	Finance and Investor Relations Manager	Master's degree	10 years	Male
CG8KEN	Finance Director	Master's degree/Certified Public Accountant	8 years	Male
		Pakistan		
CG1PAK	Compliance Director	Master's degree Chartered Accountant	34 years	Male
CG2PAK	General Manager Compliance	Master's degree	20 years	Male
CG3PAK	Head of Compliance and Training	Masters Certified Internal Auditor	18 years	Male
CG4PAK	Head Credit Risk Department	Chartered Accountant	11 years	Male
CG5PAK	Head of Compliance Division	Masters Certified Internal Auditor	5 years	Female
CG6PAK	Head of Internal Control	Chartered Accountant	5 years	Male
CG7PAK	Company Secretary	Master's degree Associate member of the Institute of the Corporate Secretaries of Pakistan	13 years	Male
CG8PAK	Company Secretary	Bachelor's degree Fellow of the Institute of the Corporate Secretaries of Pakistan	15 years	Male